

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7685

BILL NUMBER: HB 1485

NOTE PREPARED: Jan 15, 2007

BILL AMENDED:

SUBJECT: Tax increment financing.

FIRST AUTHOR: Rep. Noe

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ___ **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: Provides that for purposes of the various tax increment financing (TIF) statutes, property taxes are not part of the tax increment captured by a particular TIF district if those property taxes are attributable to assessed valuation that: (1) was the subject of a tax abatement deduction on the effective date of the TIF allocation provision; and (2) is no longer the subject of the tax abatement deduction. Provides that a redevelopment commission must find that designating an area as a redevelopment area is in the best interest of the taxing units containing the area needing redevelopment and the taxing units containing territory within three miles of the area needing redevelopment, considered as a whole. Provides that after submitting a resolution and supporting data to the plan commission for approval, the redevelopment commission must also file a copy of the resolution and supporting data with certain taxing units. Provides that if: (1) the plan commission and the municipal legislative body or county executive approve a resolution of the redevelopment commission; and (2) the redevelopment commission takes final action approving the resolution; the redevelopment commission must file notice of the final action with the legislative bodies of certain taxing units. Requires each legislative body receiving the notice of the final action to: (1) adopt a resolution that either approves or objects to the final action of the redevelopment commission; and (2) file the resolution with the appropriate municipal legislative body or county executive. Provides that in addition to any objections that are filed by taxing units, the final action of a redevelopment commission may be appealed by the filing with the appropriate municipal legislative body or county executive of a written remonstrance signed by: (1) at least 65% of the owners of the land in the redevelopment project area and any territory within three miles of the redevelopment project area; or (2) the owners of more than 75% of the assessed valuation of the land in the redevelopment project area and any territory within three miles of the redevelopment project area. Provides that if an objection is filed by a taxing unit or a remonstrance is filed, the municipal legislative body or county executive receiving the objection or remonstrance must hold a public hearing concerning the final action of the redevelopment commission. Specifies that the municipal

legislative body or county executive may approve the final action of the redevelopment commission only if that final action is of public utility and benefit and in the best interest of the taxing units, considered as a whole. Provides that if an objection or remonstrance is filed with the municipal legislative body or county executive, the final action of the redevelopment commission may take effect only if the final action is approved by the municipal legislative body or county executive. Provides that if the final action of a redevelopment commission is appealed to a court, the burden of proof is on the redevelopment commission (rather than the remonstrator). Provides that a redevelopment commission may not designate an economic development area that is more than 100 acres unless the plan approved by the redevelopment commission for the economic development area includes a commitment or plan for the provision of water, sewage, and other utility services to the economic development area within three years.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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